

PT 01-67

Tax Type: Property Tax

Issue: Religious Ownership/Use

**STATE OF ILLINOIS
DEPARTMENT OF REVENUE
OFFICE OF ADMINISTRATIVE HEARINGS
CHICAGO, ILLINOIS**

**ROCKFORD CHRISTIAN
EDUCATION ASSOCIATION,
APPLICANT**

v.

**ILLINOIS DEPARTMENT
OF REVENUE**

**No. 00-PT-0053
(99-101-0178)
P.I.N: 158A-008B**

**RECOMMENDATION FOR DISPOSITION
PURSUANT TO APPLICANT'S MOTION FOR SUMMARY JUDGMENT**

APPEARANCES: Mr. Shawn C. Fullbright of Guyer & Enichen on behalf of the Rockford Christian Education Association (hereinafter the "applicant").

SYNOPSIS: This matter comes to be considered pursuant to applicant's timely motion for summary judgment and raises the limited issue of whether real estate identified by Winnebago County Parcel Index Number 158A-008B (hereinafter the "subject property") was "used exclusively for school purposes" as required by 35 ILCS 200/15-35(b), during the 1999 assessment year. The underlying controversy arises as follows:

Applicant filed an Application for Property Tax Exemption with the Winnebago County Board of Review on January 14, 2000. The Board reviewed the application and recommended to the Illinois Department Of Revenue (hereinafter the "Department") that the requested exemption be granted. The Department then issued its determination in this

matter, finding the subject property is not in exempt use, on April 6, 2000. Applicant filed a timely appeal to this denial and later filed this motion for summary judgment. After carefully reviewing that motion and its supporting documentation, I recommend that the Department's initial determination in this matter be reversed.

FINDINGS OF FACT:

1. The Department's jurisdiction over this matter and its position therein are established by its initial determination in this case, issued by the Office of Local Government Services on April 6, 2000. Administrative Notice.
2. The Department's position in this case is that the subject property is not in exempt use. *Id.*
3. The subject property has no common street address but is identified by Winnebago County Parcel Index Number 158A-008B and the legal description that is attached hereto and incorporated by reference herein.
4. The subject property was unimproved and consisted almost entirely of prairieland, marshes and forestation throughout 1999. Applicant Motion Ex. A, O, P.
5. Applicant is a Christian school whose property has been exempted from real estate taxation under terms of Departmental determinations in Docket Nos. 64-447, 87-101-34, 96-101-35, and 97-101-191. All of these exemptions remained in full force and effect throughout 1999. Applicant Motion Ex. F, G, I, J, K,L; Administrative Notice.
6. Applicant obtained ownership of the subject property by means of a trustee's deed dated July 6, 1995. Applicant Motion Ex. D.
7. The subject property is located approximately one-eighth of a mile from applicant's high school and junior high facilities, which were exempted from real estate taxes

under terms of the Department's Determination in Docket No. 96-101-35. Applicant Motion Ex. L, M.

8. Applicant used the subject property as an outdoor laboratory for science classes taught at its high school and junior high facilities throughout 1999. Lab assignments conducted at said property included: (a) comparison of plant and animal species found in forest, grassland and marsh communities; (b) soil analysis comparisons; (c) tree identifications; (d) water analysis in marsh areas; and, (e) math studies in population sampling, area determination, patterns of symmetry and estimating the height of a tree. Applicant Motion Ex. 0.

CONCLUSIONS OF LAW:

Summary judgment is appropriate where there are no genuine issues of material fact and the moving party is entitled to judgment as a matter of law. 735 **ILCS** 5/2-1005(c). There are no contested facts in this case. Therefore, the only remaining source of controversy herein is a legal question, that being whether the subject property was used in a manner that would qualify it for exemption from 1999 real estate taxes under the pertinent statute.

That statute is found in Section 15-35(b) of the Property Tax Code, 35 **ILCS** 200/1-1 *et seq.*, which provides, in relevant part, that "property of schools"¹ on which the

¹. For property tax purposes, a "school," is a place where systematic instruction in useful branches is given by methods common to schools and institutions of learning, which would make the place a school in the common acceptance [sic] of the word. People ex rel. McCullough v. Deutsche Evangelisch Lutherisch Jehova Gemeinde Ungeanderter Augsburgischer Confession, 249 Ill. 132, 137 (1911).

schools are located and any other property of schools used by the schools exclusively² for school purposes...” are exempt from real estate taxation 35 ILCS 15-35(b).

The statutory requirements for exemption under Section 15-35 are, simply stated, that the property: (1) must be owned by an entity that qualifies as a “school;” and, (2) must be “used exclusively” for school purposes. Chicago & Northeast Illinois District Council of Carpenters v. Illinois Department of Revenue, 293 Ill. App.3d 600 (1st Dist. 1997), *leave to appeal denied*, April 1, 1998; Coyne Electrical School v. Paschen, 12 Ill.2d 387 (1957); Northern Illinois University v. Sweet, 237 Ill. App.3d 28 (2nd Dist. 1992). Only the latter requirement is at issue herein, as the instant denial was predicated solely on lack of exempt use.

It is well established that satellite facilities, such as the subject property, can qualify for exemption if applicant’s use thereof is “reasonably necessary” to facilitate another specifically identifiable exempt use. Evangelical Hospitals Corporation v. Department of Revenue, 233 Ill. App.3d 225 (2nd Dist. 1991). Here, applicant used the subject property as a nature laboratory for courses taught at its tax exempt junior high and high school facilities. Accordingly, the Department’s initial determination in this matter, which appears to have been based on an initial lack of information that applicant cured via the evidence it submitted in support of its motion for summary judgment, should be reversed.

2. The word “exclusively” when used in Section 200/15-35(b) and other property tax exemption statutes means the “the primary purpose for which property is used and not any secondary or incidental purpose.” Pontiac Lodge No. 294, A.F. and A.M. v. Department of Revenue, 243 Ill. App.3d 186 (4th Dist. 1993).

WHEREFORE, for the reasons set forth above, I recommend that Winnebago County Parcel Index Number 158A-008B be exempt from 1999 real estate taxes under Section 15-35(b) of the Property Tax Code.

10/12/01

Date

Alan I. Marcus
Administrative Law Judge